



**I/3 Customer Council  
Meeting Minutes (FINAL)  
April 12, 2007 ~ 1:30 – 3 p.m.  
Hoover Building, Level B, Conference Rooms 2 & 3**

**Present:** Rich Jacobs, Joel Lunde, Carl Martin, Charlie Smithson, Roger Stirler, Peggy Sullivan, Greg Wright

**Excused:** --

**Absent:** John Baldwin, Mike Marshall, Penny Westfall

**DAS Staff:** Mollie Anderson, Jay Cleveland, Brenda Easley, John Gillispie, Lori McClannahan, Calvin McKelvogue, Lana Morrissey, Laura Riordan, Sharon Sperry

**Guests:** Jan Clausen, DHS

Roger Stirler, chair, called the meeting to order at 1:36 p.m.

Minutes from the last meeting (02/08/07) were reviewed. Greg Wright noted a typo on the last page. Motion by Rich Jacobs to approve as corrected, Joel Lunde seconded, motion passed.

Lori McClannahan then provided the Council with an update on I/3: the system is finally reaching the point where departments can better utilize more of the functionalities available. We are now turning our focus on training and educating users who want to utilize more of the features. Training classes have started; the I/3 Intranet site has been launched; and we're close to having a procurement manual completed. Converting interface files so they're more compatible has improved the nightly cycle time. We are also working on improving EFT records. The I/3 Web Services process (see [handout](#): 04-12-07\_web\_services.pdf) allows I/3 to receive information from other systems and will improve the interface process. Right now they are working on the Department of Agriculture's FARMS system. The State is looking to offer employees travel P-cards (procurement cards), with limits, and we are working on building an interface for that, as well.

We are going to upgrade the I/3 system to Advantage 3.7, which we originally planned to complete this fall, but currently estimate completion is more likely in the spring of '08. Due to the delay in the upgrade we are seeking a new funding source from the legislature. There are about 180 enhancements that come with the new version; we are actively pursuing about 2/3 of those. We are also upgrading the reporting capabilities of the Data Warehouse. This next year we will need to address the HR Payroll issue. DAS has begun discussions with Dept. of Management and the Governor's Office as to how the State wants to proceed.

Calvin McKelvogue said agencies are now seeing the benefits from this system (I/3), including cost savings. It has required some up-front work, but it is paying off. Greg Wright said he was encouraged by this news, but from his agency's perspective, they haven't seen that corner turned yet, though there have been improvements. Roger Stirler agreed, noting that reliability of the system was up. Roger also noted there seemed to be a lot of push-back to the departments. Mollie Anderson asked if agencies were able to extract info from the system better. Greg Wright replied that reports were not always available when they were needed; sometimes it was 9 a.m. or later before reports could be extracted. Mollie Anderson also asked for feedback about whether budgeting was better/less difficult with the new system.

Mollie Anderson, DAS Director, then gave an update, saying that the \$2 million appropriation request still looked good. There was a question about those who were not general-funded and whether they received the amount needed in their budget request – DOM is working on this. The general sense regarding funding of I/3 is that there is not a better option – we are too far in now and it's been a comparatively low investment, compared to what other states have paid. We underestimated the time commitment from users that would be necessary to function in the system and that funding was not addressed early enough in the process.

There was a question about whether I/3 should be moved from a "utility" to a "leadership" function; comments to this effect were received from some council members when asked for input on the FY09 list of services. DAS has discussed this with IGOV and DOM and the general thought is that it would take about 2 years to plan such a move – we would have to undo the allocation method currently in place, and then hope that money gets appropriated. There is a great deal of risk involved in that method. If only one department (DAS) is appropriated the money, there are fewer agencies demanding this service be fully funded – less stakeholders.

The HR module is expected to cost \$14.9 million; it's a complicated component. However, the current system is obsolete, so an upgrade is a necessity.

The Council then addressed FY08 rates, and the question of whether the rate methodology should be modified now. Calvin McKelvogue noted that with the \$2 million distribution, this would be the year to change. The feds reviewed the methodology created by the Customer Council sub-committee. The feds would have rather had it based on actual transactions, but accepted the formula that took into account full-time employee count, expenditures and revenue. It was asked if it were possible to get the number of transactions from the system; Calvin said it is not possible the way the feds wanted it counted. Appropriable receipts – 98% of which are collected by IDR – are NOT factored into the current formula. The question is: should they be?

Rich Jacobs, of the Department of Revenue, commented that his agency would be significantly affected by this change, but they also understand that sometimes change must occur.

Calvin McKelvogue presented different scenarios for allocating I/3 expenses. Scenario 1 was the methodology approved by the Council, the second one added appropriable receipts in and the final was just to use expenditures and eliminate revenues. The impacts on agencies changed significantly based on the methodology used.

**FY09 Rate Methodology:** it was noted that the customer councils were scheduled to approve FY09 rate methodologies by their April meetings, but because the I/3 Council is currently

debating whether the FY08 rate methodology should be changed, that decision would need to be postponed.

With no further business to discuss, the meeting was adjourned at about 3 p.m. The next meeting is scheduled for May 10.

Respectfully submitted,  
Laura Riordan, substitute secretary  
Approved: May 10, 2007